

Message Text

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ACTION EA-12

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FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 3322

INFO AMCONSUL BRISBANE

AMCONSUL MELBOURNE

AMCONSUL PERTH

AMCONSUL SYDNEY

UNCLAS CANBERRA 3926

E.O. 11652: N/A

TAGS: ELAB, AS

SUBJ: NATIONWIDE METALWORKERS STRIKE

AN ESTIMATED 60 PCT OF AUSTRALIA'S HALF-MILLION METAL-
WORKERS RESPONDED TO A CALL FOR A NATIONWIDE 24 HOUR STRIKE
ON MAY 19. THE STRIKE, WHICH TOOK PLACE IN ALL STATES EXCEPT
WESTERN AUSTRALIA, CLOSED DOWN MORE THAN 6,500 METAL, MACHINE,
AND ELECTRICAL APPLIANCE PLANTS. THE STRIKE, IN PROTEST OF
ALLEGED DELAYS ON THE PART OF THE ARBITRATION COMMISSION
TO SETTLE THE COMPLEX QUESTION OF INDEXING OVER THE AWARD
PAYMENTS, WAS PEACEFUL. NO INCIDENTS OF VIOLENCE WERE
REPORTED. THE EMPLOYER METAL TRADES ASSOCIATION SAID THE
STOPPAGE COST THE INDUSTRY DOLS 36 MILLION WORTH OF PRODUCTION.
AND THE EMPLOYEES SOME DOLS 21 MILLION IN LOST WAGES.
THE CHAIRMAN OF THE 11 UNION NATIONAL NEGOTIATING COMMITTEE
CLAIMED THE METAL WORKERS HAD RESPONDED "OVERWHELMINGLY" TO
THE UNION'S CALL FOR A STOPPAGE. A HEARING WAS SCHEDULED
ON MAY 22 IN SYDNEY TO DISCUSS THE DELAY IN FINALISING THE
AWARD. THE ELEVEN UNIONS INVOLVED AND THE AUSTRALIAN COUNCIL
OF TRADE UNIONS (ACTU) REFUSED TO CALL OFF THE STOPPAGE
DESPITE A WARNING FROM SIR JOHN MOORE (PRESIDENT OF THE
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ARBITRATION COMMISSION), THAT IT MIGHT IMPERIL THE NATIONAL
WAGE INDEXATION HEARINGS. THEY HAVE, HOWEVER, EMPHASIZED
THAT THE STRIKE WAS IN PROTEST AGAINST DELAYS RATHER THAN THE
WAGE INDEXATION SYSTEM.

2. COMMENT - UNDER THE PRESENT INDEXATION SYSTEM OVERAWARD
WAGE PAYMENTS ARE NOT INDEXED - ONLY AWARD RATES. AS A

RESULT THE AWARD RATE FOR A SKILLED CRAFTSMAN IS U.S. DOLS 167.00 A WEEK DESPITE THE FACT THAT HE MAY BE EARNING DOLS 35.00 OR MORE IN OVER-AWARD PAYMENTS. BY CONTRAST, A CARPENTER WHO EARNS DOLS 228.00 A WEEK UNDER A PAID RATES AWARD IS ELIGIBLE FOR INDEXATION ON THAT FULL AMOUNT.

3. WHILE SKILLED CRAFTSMEN THROUGH MILITANT UNION LEADERSHIP MAY PREVAIL UPON AN INDIVIDUAL EMPLOYER TO KEEP ON INCRASING OVER-THE-AWARD PAYMENTS UNSKILLED METALWORKERS WHO MAKE UP 40 PERCENT OF THE METAL WORK FORCE ARE FALLING FURTHER BEHIND PREVAILING WAGE LEVELS ACCORDING TO THE UNIONS.

4. THE METALWORKERS WITH 160,000 DUES-PAYING MEMBERS ARE AUSTRALIA'S LARGEST UNION, AND ARE UNDER CONSIDERABLE COMMUNIST INFLUENCE. THE 11 UNION NEGOTIATING COMMITTEE IS HEADED BY LAURIE SHORT, A VETERAN NON-COMMUNIST. ACCORDING TO KEN STONE, A SECRETARY OF THE MELBOURNE TRADES HALL AND OTHER RELIABLE NON-COMMUNISTS SHORT WAS GIVING THE COMMUNISTS "THEIR HEAD" IN THIS CASE, THERE IS ALSO A STRONG FEELING AMONG MANY TRADE UNION LEADERS AND GOVERNMENT OFFICIALS THAT THE STRIKE AT THIS TIME IN A DEPRESSED INDUSTRY "MUST RANK AS ONE OF THE MOST SENSELESS AND FUTILE STOPPAGES EVER STAGED IN THE METAL TRADES INDUSTRY".
ALSTON

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